



General Assembly

Substitute Bill No. 6901

January Session, 2023



AN ACT CONCERNING A STUDENT LOAN REIMBURSEMENT PROGRAM FOR CERTAIN PROFESSIONALS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2023*) (a) On or before October 1,
2 2023, the executive director of the Office of Higher Education shall
3 establish a pilot program to reimburse certain professionals for student
4 loan payments. The Office of Higher Education shall approve the
5 participation of any person in the student loan reimbursement pilot
6 program who (1) attended a state college or university and graduated
7 with a bachelor's degree or left such college or university in good
8 standing before graduation; (2) is currently a resident of the state, and
9 has been a resident of the state for not less than five consecutive years
10 after graduation from a state college or university, as shown on the
11 person's Connecticut income tax return; (3) earns the majority of such
12 person's income through employment in the state, as evidenced on
13 such person's Connecticut income tax return, for two years prior to
14 participation in the program; (4) is employed full-time as a nurse,
15 teacher or in the field of child care, mental health or social services; (5)
16 has (A) a Connecticut adjusted gross income of not more than one
17 hundred thousand dollars and files a return under the federal income
18 tax as an unmarried individual or a married individual filing
19 separately, or (B) a Connecticut adjusted gross income of not more
20 than one hundred twenty-five thousand dollars and files a return

21 under the federal income tax as a head of household, a married
22 individual filing jointly or a surviving spouse, as defined in Section
23 2(a) of the Internal Revenue Code of 1986, or any subsequent
24 corresponding internal revenue code of the United States, as amended
25 from time to time; and (6) has a student loan. For the purposes of this
26 section "state college or university" means any public or private college
27 or university in the state.

28 (b) Persons who qualify under subsection (a) of this section may
29 apply to the Office of Higher Education to participate in the student
30 loan reimbursement pilot program at such time and in such manner as
31 the executive director of said office prescribes.

32 (c) Each person approved to participate in the student loan
33 reimbursement pilot program shall annually submit receipts of
34 payment on student loans to the Office of Higher Education in the
35 manner prescribed by the executive director. The Office of Higher
36 Education shall (1) reimburse such person for such student loan
37 payments an amount of not more than five thousand dollars, annually,
38 provided no person shall participate in the student loan
39 reimbursement pilot program for more than four years or receive more
40 than twenty thousand dollars in aggregate reimbursement for student
41 loan payments, and (2) require such person to volunteer for an
42 approved nonprofit organization in the state for not less than fifty
43 unpaid hours for each year of participation in the student loan
44 reimbursement program. For purposes of this section, volunteer hours
45 may include service on the board of directors for a nonprofit
46 organization or military service.

47 (d) The Office of Higher Education may use up to two and one-half
48 per cent of the funds appropriated for purposes of this section,
49 annually, for program administration, promotion and recruitment
50 activities.

51 (e) Not later than January 1, 2025, and annually thereafter, the
52 executive director of the Office of Higher Education shall report, in

53 accordance with the provisions of section 11-4a of the general statutes,
54 to the joint standing committees of the General Assembly having
55 cognizance of matters relating to higher education and employment
56 advancement and appropriations and the budgets of state agencies on
57 the operation and effectiveness of the pilot program and any
58 recommendations to expand the pilot program.

59 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
60 section 12-701 of the general statutes is repealed and the following is
61 substituted in lieu thereof (*Effective January 1, 2024, and applicable to*
62 *taxable years commencing on or after January 1, 2024*):

63 (B) There shall be subtracted therefrom:

64 (i) To the extent properly includable in gross income for federal
65 income tax purposes, any income with respect to which taxation by
66 any state is prohibited by federal law;

67 (ii) To the extent allowable under section 12-718, exempt dividends
68 paid by a regulated investment company;

69 (iii) To the extent properly includable in gross income for federal
70 income tax purposes, the amount of any refund or credit for
71 overpayment of income taxes imposed by this state, or any other state
72 of the United States or a political subdivision thereof, or the District of
73 Columbia;

74 (iv) To the extent properly includable in gross income for federal
75 income tax purposes and not otherwise subtracted from federal
76 adjusted gross income pursuant to clause (x) of this subparagraph in
77 computing Connecticut adjusted gross income, any tier 1 railroad
78 retirement benefits;

79 (v) To the extent any additional allowance for depreciation under
80 Section 168(k) of the Internal Revenue Code for property placed in
81 service after September 27, 2017, was added to federal adjusted gross
82 income pursuant to subparagraph (A)(ix) of this subdivision in

83 computing Connecticut adjusted gross income, twenty-five per cent of
84 such additional allowance for depreciation in each of the four
85 succeeding taxable years;

86 (vi) To the extent properly includable in gross income for federal
87 income tax purposes, any interest income from obligations issued by or
88 on behalf of the state of Connecticut, any political subdivision thereof,
89 or public instrumentality, state or local authority, district or similar
90 public entity created under the laws of the state of Connecticut;

91 (vii) To the extent properly includable in determining the net gain
92 or loss from the sale or other disposition of capital assets for federal
93 income tax purposes, any gain from the sale or exchange of obligations
94 issued by or on behalf of the state of Connecticut, any political
95 subdivision thereof, or public instrumentality, state or local authority,
96 district or similar public entity created under the laws of the state of
97 Connecticut, in the income year such gain was recognized;

98 (viii) Any interest on indebtedness incurred or continued to
99 purchase or carry obligations or securities the interest on which is
100 subject to tax under this chapter but exempt from federal income tax,
101 to the extent that such interest on indebtedness is not deductible in
102 determining federal adjusted gross income and is attributable to a
103 trade or business carried on by such individual;

104 (ix) Ordinary and necessary expenses paid or incurred during the
105 taxable year for the production or collection of income which is subject
106 to taxation under this chapter but exempt from federal income tax, or
107 the management, conservation or maintenance of property held for the
108 production of such income, and the amortizable bond premium for the
109 taxable year on any bond the interest on which is subject to tax under
110 this chapter but exempt from federal income tax, to the extent that
111 such expenses and premiums are not deductible in determining federal
112 adjusted gross income and are attributable to a trade or business
113 carried on by such individual;

114 (x) (I) For taxable years commencing prior to January 1, 2019, for a
115 person who files a return under the federal income tax as an
116 unmarried individual whose federal adjusted gross income for such
117 taxable year is less than fifty thousand dollars, or as a married
118 individual filing separately whose federal adjusted gross income for
119 such taxable year is less than fifty thousand dollars, or for a husband
120 and wife who file a return under the federal income tax as married
121 individuals filing jointly whose federal adjusted gross income for such
122 taxable year is less than sixty thousand dollars or a person who files a
123 return under the federal income tax as a head of household whose
124 federal adjusted gross income for such taxable year is less than sixty
125 thousand dollars, an amount equal to the Social Security benefits
126 includable for federal income tax purposes;

127 (II) For taxable years commencing prior to January 1, 2019, for a
128 person who files a return under the federal income tax as an
129 unmarried individual whose federal adjusted gross income for such
130 taxable year is fifty thousand dollars or more, or as a married
131 individual filing separately whose federal adjusted gross income for
132 such taxable year is fifty thousand dollars or more, or for a husband
133 and wife who file a return under the federal income tax as married
134 individuals filing jointly whose federal adjusted gross income from
135 such taxable year is sixty thousand dollars or more or for a person who
136 files a return under the federal income tax as a head of household
137 whose federal adjusted gross income for such taxable year is sixty
138 thousand dollars or more, an amount equal to the difference between
139 the amount of Social Security benefits includable for federal income tax
140 purposes and the lesser of twenty-five per cent of the Social Security
141 benefits received during the taxable year, or twenty-five per cent of the
142 excess described in Section 86(b)(1) of the Internal Revenue Code;

143 (III) For the taxable year commencing January 1, 2019, and each
144 taxable year thereafter, for a person who files a return under the
145 federal income tax as an unmarried individual whose federal adjusted
146 gross income for such taxable year is less than seventy-five thousand

147 dollars, or as a married individual filing separately whose federal
148 adjusted gross income for such taxable year is less than seventy-five
149 thousand dollars, or for a husband and wife who file a return under
150 the federal income tax as married individuals filing jointly whose
151 federal adjusted gross income for such taxable year is less than one
152 hundred thousand dollars or a person who files a return under the
153 federal income tax as a head of household whose federal adjusted
154 gross income for such taxable year is less than one hundred thousand
155 dollars, an amount equal to the Social Security benefits includable for
156 federal income tax purposes; and

157 (IV) For the taxable year commencing January 1, 2019, and each
158 taxable year thereafter, for a person who files a return under the
159 federal income tax as an unmarried individual whose federal adjusted
160 gross income for such taxable year is seventy-five thousand dollars or
161 more, or as a married individual filing separately whose federal
162 adjusted gross income for such taxable year is seventy-five thousand
163 dollars or more, or for a husband and wife who file a return under the
164 federal income tax as married individuals filing jointly whose federal
165 adjusted gross income from such taxable year is one hundred
166 thousand dollars or more or for a person who files a return under the
167 federal income tax as a head of household whose federal adjusted
168 gross income for such taxable year is one hundred thousand dollars or
169 more, an amount equal to the difference between the amount of Social
170 Security benefits includable for federal income tax purposes and the
171 lesser of twenty-five per cent of the Social Security benefits received
172 during the taxable year, or twenty-five per cent of the excess described
173 in Section 86(b)(1) of the Internal Revenue Code;

174 (xi) To the extent properly includable in gross income for federal
175 income tax purposes, any amount rebated to a taxpayer pursuant to
176 section 12-746;

177 (xii) To the extent properly includable in the gross income for
178 federal income tax purposes of a designated beneficiary, any
179 distribution to such beneficiary from any qualified state tuition

180 program, as defined in Section 529(b) of the Internal Revenue Code,
181 established and maintained by this state or any official, agency or
182 instrumentality of the state;

183 (xiii) To the extent allowable under section 12-701a, contributions to
184 accounts established pursuant to any qualified state tuition program,
185 as defined in Section 529(b) of the Internal Revenue Code, established
186 and maintained by this state or any official, agency or instrumentality
187 of the state;

188 (xiv) To the extent properly includable in gross income for federal
189 income tax purposes, the amount of any Holocaust victims' settlement
190 payment received in the taxable year by a Holocaust victim;

191 (xv) To the extent properly includable in gross income for federal
192 income tax purposes of an account holder, as defined in section 31-
193 51ww, interest earned on funds deposited in the individual
194 development account, as defined in section 31-51ww, of such account
195 holder;

196 (xvi) To the extent properly includable in the gross income for
197 federal income tax purposes of a designated beneficiary, as defined in
198 section 3-123aa, interest, dividends or capital gains earned on
199 contributions to accounts established for the designated beneficiary
200 pursuant to the Connecticut Homecare Option Program for the Elderly
201 established by sections 3-123aa to 3-123ff, inclusive;

202 (xvii) To the extent properly includable in gross income for federal
203 income tax purposes, any income received from the United States
204 government as retirement pay for a retired member of (I) the Armed
205 Forces of the United States, as defined in Section 101 of Title 10 of the
206 United States Code, or (II) the National Guard, as defined in Section
207 101 of Title 10 of the United States Code;

208 (xviii) To the extent properly includable in gross income for federal
209 income tax purposes for the taxable year, any income from the
210 discharge of indebtedness in connection with any reacquisition, after

211 December 31, 2008, and before January 1, 2011, of an applicable debt
212 instrument or instruments, as those terms are defined in Section 108 of
213 the Internal Revenue Code, as amended by Section 1231 of the
214 American Recovery and Reinvestment Act of 2009, to the extent any
215 such income was added to federal adjusted gross income pursuant to
216 subparagraph (A)(xi) of this subdivision in computing Connecticut
217 adjusted gross income for a preceding taxable year;

218 (xix) To the extent not deductible in determining federal adjusted
219 gross income, the amount of any contribution to a manufacturing
220 reinvestment account established pursuant to section 32-9zz in the
221 taxable year that such contribution is made;

222 (xx) To the extent properly includable in gross income for federal
223 income tax purposes, (I) for the taxable year commencing January 1,
224 2015, ten per cent of the income received from the state teachers'
225 retirement system, (II) for the taxable years commencing January 1,
226 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
227 received from the state teachers' retirement system, and (III) for the
228 taxable year commencing January 1, 2021, and each taxable year
229 thereafter, fifty per cent of the income received from the state teachers'
230 retirement system or, for a taxpayer whose federal adjusted gross
231 income does not exceed the applicable threshold under clause (xxi) of
232 this subparagraph, the percentage pursuant to said clause of the
233 income received from the state teachers' retirement system, whichever
234 deduction is greater;

235 (xxi) To the extent properly includable in gross income for federal
236 income tax purposes, except for retirement benefits under clause (iv) of
237 this subparagraph and retirement pay under clause (xvii) of this
238 subparagraph, for a person who files a return under the federal income
239 tax as an unmarried individual whose federal adjusted gross income
240 for such taxable year is less than seventy-five thousand dollars, or as a
241 married individual filing separately whose federal adjusted gross
242 income for such taxable year is less than seventy-five thousand dollars,
243 or as a head of household whose federal adjusted gross income for

244 such taxable year is less than seventy-five thousand dollars, or for a
245 husband and wife who file a return under the federal income tax as
246 married individuals filing jointly whose federal adjusted gross income
247 for such taxable year is less than one hundred thousand dollars, (I) for
248 the taxable year commencing January 1, 2019, fourteen per cent of any
249 pension or annuity income, (II) for the taxable year commencing
250 January 1, 2020, twenty-eight per cent of any pension or annuity
251 income, (III) for the taxable year commencing January 1, 2021, forty-
252 two per cent of any pension or annuity income, and (IV) for the taxable
253 year commencing January 1, 2022, and each taxable year thereafter,
254 one hundred per cent of any pension or annuity income;

255 (xxii) The amount of lost wages and medical, travel and housing
256 expenses, not to exceed ten thousand dollars in the aggregate, incurred
257 by a taxpayer during the taxable year in connection with the donation
258 to another person of an organ for organ transplantation occurring on
259 or after January 1, 2017;

260 (xxiii) To the extent properly includable in gross income for federal
261 income tax purposes, the amount of any financial assistance received
262 from the Crumbling Foundations Assistance Fund or paid to or on
263 behalf of the owner of a residential building pursuant to sections 8-442
264 and 8-443;

265 (xxiv) To the extent properly includable in gross income for federal
266 income tax purposes, the amount calculated pursuant to subsection (b)
267 of section 12-704g for income received by a general partner of a
268 venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended
269 from time to time;

270 (xxv) To the extent any portion of a deduction under Section 179 of
271 the Internal Revenue Code was added to federal adjusted gross income
272 pursuant to subparagraph (A)(xiv) of this subdivision in computing
273 Connecticut adjusted gross income, twenty-five per cent of such
274 disallowed portion of the deduction in each of the four succeeding
275 taxable years;

276 (xxvi) To the extent properly includable in gross income for federal
277 income tax purposes, for a person who files a return under the federal
278 income tax as an unmarried individual whose federal adjusted gross
279 income for such taxable year is less than seventy-five thousand dollars,
280 or as a married individual filing separately whose federal adjusted
281 gross income for such taxable year is less than seventy-five thousand
282 dollars, or as a head of household whose federal adjusted gross income
283 for such taxable year is less than seventy-five thousand dollars, or for a
284 husband and wife who file a return under the federal income tax as
285 married individuals filing jointly whose federal adjusted gross income
286 for such taxable year is less than one hundred thousand dollars, (I) for
287 the taxable year commencing January 1, 2023, twenty-five per cent of
288 any distribution from an individual retirement account other than a
289 Roth individual retirement account, (II) for the taxable year
290 commencing January 1, 2024, fifty per cent of any distribution from an
291 individual retirement account other than a Roth individual retirement
292 account, (III) for the taxable year commencing January 1, 2025,
293 seventy-five per cent of any distribution from an individual retirement
294 account other than a Roth individual retirement account, and (IV) for
295 the taxable year commencing January 1, 2026, and each taxable year
296 thereafter, any distribution from an individual retirement account
297 other than a Roth individual retirement account; [and]

298 (xxvii) To the extent properly includable in gross income for federal
299 income tax purposes, for the taxable year commencing January 1, 2022,
300 the amount or amounts paid or otherwise credited to any eligible
301 resident of this state under (I) the 2020 Earned Income Tax Credit
302 enhancement program from funding allocated to the state through the
303 Coronavirus Relief Fund established under the Coronavirus Aid,
304 Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021
305 Earned Income Tax Credit enhancement program from funding
306 allocated to the state pursuant to Section 9901 of Subtitle M of Title IX
307 of the American Rescue Plan Act of 2021, P.L. 117-2; and

308 (xxviii) To the extent properly includable in gross income for federal

309 income tax purposes, the amount of any student loan reimbursement
310 payment received by a taxpayer pursuant to section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	New section
Sec. 2	<i>January 1, 2024, and applicable to taxable years commencing on or after January 1, 2024</i>	12-701(a)(20)(B)

Statement of Legislative Commissioners:

Section 1(d) was deleted, the remaining subsections were relettered accordingly and Section 2 was added for accuracy and clarity.

APP *Joint Favorable Subst.*